

**ET HANDBOOK NO. 336**

**17<sup>th</sup> Edition**

**UNEMPLOYMENT INSURANCE**

**STATE QUALITY SERVICE PLAN (SQSP)**

**PLANNING AND REPORTING GUIDELINES**

**CHAPTER II – REPORTING**

A. Assurance of Equal Opportunity (EO) .....	I-22
B. Assurance of Administrative Requirements and Allowable Cost Standards .....	I-23
C. Assurance of Management Systems, Reporting, and Record Keeping.....	I-26
D. Assurance of Program Quality.....	I-27
E. Assurance on Use of Unobligated Funds .....	I-27
F. Assurance of Prohibition of Lobbying Costs .....	I-27
G. Drug-Free Workplace .....	I-27
H. Assurance of Disaster Recovery Capability .....	I-27
I. Assurance of Conformity and Compliance .....	I-28
J. Assurance of Automated Information Systems Security .....	I-28
VIII. Content Checklist .....	I-28

## CHAPTER II - REPORTING

I. <u>Introduction</u> .....	II-1
II. <u>Submittal Instructions</u>	
A. Use of Computer Printouts in Lieu of Prescribed Forms. ....	II-1
B. Electronic submittal .....	II-1
C. Number of Copies and Recipient.....	II-1
D. Frequency and Due Dates .....	II-1
E. Program Management Systems Document Numbers .....	II-1
III. <u>Reports</u>	
A. UI-3, Quarterly UI Above base Report.....	II-2
B. SF 269, Financial Status Report .....	II-3
C. SF 270, Request for Advance or Reimbursement.....	II-3
IV. <u>Definitions</u>	
A. Accrued Expenditures.....	II-4
B. Funding Period.....	II-4
C. Obligations.....	II-4
D. Unliquidated Obligations.....	II-5
E. Automation Acquisition.....	II-6
F. Program Management Systems Document Numbers.....	II-6
G. Time Distribution Definitions .....	II-7

APPENDIX I -- Planning Forms and Formats

APPENDIX II -- Reporting Forms and Formats

**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

**I. Introduction.** Chapter II of the SQSP Handbook provides guidelines for the reports and data elements to be used for financial reporting of State Unemployment Insurance (UI) program activities.

**II. Submittal Instructions.**

**A. Use of Computer Printouts in Lieu of Prescribed Forms.** States may submit financial report information on computer printouts instead of the SFs 269, 270, and 424. However, such printouts must contain the identical information and format as the report forms, including the certification and authorized signature blocks, and adhere to submittal requirements described below.

**B. Electronic Submittal.** States submit the UI-3 and the UI-1 worksheet through UIRR. This ensures that the reported data are consistent. UIRR makes output reports available for review and correction before electronic transmission to the National Office. Electronic submittal is not available for Standard Forms, except SF 269 via the Executive Information Management System.

**C. Number of Copies and Recipient.** For all Standard Forms (e.g., SF 424), submit an original and 2 copies to the ETA Regional Office. The National Office electronically receives UIRR reports and SF 269, which the Regions also may access.

**D. Frequency and Due Dates.** The UI-3 worksheet and SF 269 are due within 30 days after the end of the reporting quarter. Above-base advance requests are due within 10 working days of the quarter to which they pertain. The request form, SF 270, is a voluntary report.

**E. Program Management Systems (PMS) Document Numbers.** The following is a list of (PMS) Document Numbers that the National Office will use to issue obligational authority and that States will use for the SF 269 and when drawing cash. Definitions of program categories on the UI-3 are provided in Section IV., Paragraph H, Time Distribution Definitions.

<b><u>PROGRAM</u></b> <sup>1</sup>	<b><u>(PMS) DOCUMENT NO.</u></b>
UI State Administration	UIxxxxxFM0
UI PERFORMS	UIxxxxx
Systematic Alien Verification Entitlement (SAVE) Program	UIxxxxx

**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

<b><u>PROGRAM</u><sup>1</sup></b>	<b><u>(PMS) DOCUMENT NO.</u></b>
Trade Adjustment Assistance (TAA) and North American Free Trade Agreement - Transitional Adjustment Assistance (NAFTA-TAA) Benefits Administration.	UIxxxxx
UI National Activities	UIxxxxxFN0
TAA Benefits	UIxxxxxFW0
NAFTA-TAA Benefits	UIxxxxxFY0
Disaster Unemployment Assistance (DUA) <sup>4</sup>	Uixxxxx

**NOTES:**

<sup>4</sup> ETA code numbers are assigned to each separate DUA disaster when funds are provided to the States.

**III. Reports.** Facsimiles of the forms and completion instructions can be found in Appendix II. Additionally, Standard Forms may be downloaded from [www.whitehouse.gov/omb/grants/index.html](http://www.whitehouse.gov/omb/grants/index.html).

**A. UI-3, Quarterly UI Above-base Report.**

**1. Purpose.** This report provides information to ETA on the number of staff years worked and paid for various UI program categories, and provides the basis for determining above-base and SAVE entitlements.

**2. Reporting Instructions.** States are required to report the number of quarterly staff years worked and paid and the number of year-to-date staff years paid. ETA does not prescribe the type of time distribution reporting system used by States to generate the required data. However, the system used must be capable of providing data in the required detail, and the data must fairly and accurately represent the utilization of staff years. Data must be traceable to supporting documentation, e.g., time distribution and cost reports. States using sampling, allocation, and estimating techniques to spread actual hours to the UI programs must have documentation describing the techniques and procedures being used.

**3. Report Completion Instructions.** States are to enter only data which cannot be obtained elsewhere in UIRR, which performs most calculations.

**B. SF 269, Financial Status Report.** This report is a government-wide standard

**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

form prescribed for use by OMB Circular No. A-102, and by Department of Labor Regulations at 29 CFR 97.41(b). A separate SF 269 is submitted each quarter for each fiscal year of funds (including the current fiscal year), until such time as all unliquidated obligations (resources on order) have been liquidated and a final SF 269 is submitted. States submit a final SF 269 when all financial activity has ceased and the unobligated balance is zero, and the following equation is satisfied:  $\text{Obligational Authority} = \text{accrued expenditures} = \text{cash received}$ .

ETA is requiring States to report administrative expenditures on the accrued expenditure basis, per 29 CFR 97.41(b)(2). The SF 269 submitted for DUA, TAA and NAFTA-TAA unemployment benefit payments must report them on the cash basis, i.e., actual cash benefits paid during the reporting period.

**SF 269s are to be submitted only for the following:**

o Unemployment Insurance Operations. All UI administrative funds are to be included on the SF 269, including funds for TAA and NAFTA-TAA benefits administration, but excluding UI National Activities and cooperative agreements. UI program income and associated costs also must be reported on the SF-269. On line 12 (Remarks), enter accrued expenditures (quarter) and obligations (year-to-date) separately according to staff costs and NPS costs. Expenditures/obligations must reflect charges against only current year funds. Charges against prior year funds (including carry-over funds) are to be reflected on the separate SF 269 for that year.

\$ UI National Activities. (Separate for each year)

\$ TAA Benefits. (Separate for each year)

\$ NAFTA-TAA Benefits. (Separate for each year)

\$ DUA Administration and Benefits. (Separate SF 269s for each disaster number and by Administration and Benefits)

**C. SF 270, Request for Advance or Reimbursement.** This report is a Government-wide standard form prescribed for use by OMB Circular No. A-102, and by Department of Labor Regulations at 29 CFR 97.41(d). This is a voluntary report which States may use to request above-base advances for only the fourth quarter of each fiscal year.

**IV. Definitions.**

**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

**A. Accrued Expenditures.** This term is defined in 29 CFR 97.3 as: "charges incurred by the grantee during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments."

The term "Outlays" on the SF 269 has the same meaning as accrued expenditures under the accrual basis of reporting.

**B. Funding Period.** Non-automation funds must be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date on written request. Automation funds must be obligated by the end of the 3<sup>rd</sup> fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date on written request. The annual call memo will specify the specific funding period for the plan year and any special provisions contained in the appropriation language.

**C. Obligations.** Obligations are the sum of outlays and unliquidated obligations (resources on order).

Guidelines for establishing obligations in the UI program are listed below:

1. Obligations must be intended to meet a bona fide need of the funding period in which the need arises, or to replace stock used in the funding period. To comply with this guideline, purchase orders, requisitions, and contracts recorded as obligations must be firm, complete, and must request prompt delivery of materials or services. Do not include in the amounts reported as obligations administrative reservations, such as reservations for contemplated procurements in the form of requisitions within the State, invitations for bids, or any other similar arrangements.

2. Where an obligation is definite but the precise amount is not known, it may be estimated.

3. States must obligate allocations for regular operations of the UI program -- whether base or above-base funded -- as specified in paragraph IV.B. above.

4. Generally, obligations should be supported by a valid purchase order or other binding agreement, in writing, between the parties, for goods to be delivered or services to be performed. Purchase orders are to be included only to the extent that their issuance, together with previous or subsequent action by the other party, constitutes an offer and acceptance that has become a binding agreement. Such orders (and requisitions) may not be regarded as issued as long as they remain within the control of the issuing agency.

**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

5. If the State issues purchase orders directly to a vendor, obligations must be recorded and reported on the basis of the purchase orders.

6. For purchases placed with another State agency which are required by State law or regulation, an exception is made to the requirement for supporting a transaction by a valid purchase order or binding agreement in writing. Where the State law or regulations mandatorily require the State agency to procure the specific materials, requisitions of State agencies may be treated as purchase orders, and obligations must be recorded and reported on the basis of the requisitions issued to the central procurement agency.

7. When procurement from a central procurement agency is optional, obligations may be recorded on the basis of requisitions issued by the State, provided: (a) there is documentary evidence (such as a store stock catalog) that the items are normally stocked, and (b) the requisition is for a bona fide need of the funding period in which the need arises, or it is for replacement of stock used in the funding year. When items or services are ordered through a central procurement agency with delivery to the State direct from the vendor, obligations must be recorded on the basis of purchase orders issued by the central agency.

**D. Unliquidated Obligations.** This term on the SF 269, for reports prepared on an accrued expenditure basis, is defined in 29 CFR 97.3 as: "the amount of obligations incurred by the grantee for which an outlay has not been recorded." The term "unliquidated obligations" has the same meaning as "resources on order" had in the past. States must report valid unliquidated obligations on the SF 269 for the UI program.

States should periodically review unliquidated obligation amounts to determine their validity. Obligations must not be carried on the State agency's books unless the agency is reasonably certain that payment of the obligation will be required at a later date.

Federal regulations at 29 CFR 97.23(b) require that States must liquidate all obligations incurred under a grant not later than 90 days after the end of the funding period (see paragraph IV.B. above) unless extended by the Federal agency at the request of the grantee. Thus, States must obtain written approval from ETA to retain unliquidated non-automation acquisition obligations beyond 6 months after the end of the fiscal year or automation acquisition obligations beyond 2 years and 90 days after the end of the fiscal year. State requests for extension of the deadline for expending funds must be in writing and executed prior to the regular deadlines for fund expenditure.

**E. Automation Acquisition.** The term "automation acquisition" is defined as the costs of goods and services directly related to the automation of UI operations. Automation goods consist of computers and their peripheral and auxiliary equipment and associated software. Automation data processing services are those services necessary to

**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

support the acquisition of those ADP goods. The term does not include maintenance and other costs relating to current operations and services.

Given the fast pace of technological developments, the list of products covered by this definition will change with time; therefore, no definitive list can be provided. The following list is illustrative of what is meant by the definition, but is not all-inclusive:

1. **Hardware**: central processing units; front-end processing units; minicomputers; microcomputers; and related peripheral equipment, such as data storage devices, document scanners, data entry equipment, terminal controllers, and data terminal equipment; computer-based word processing systems other than memory typewriters; equipment and systems for computer networks; equipment and systems for communications, which includes voice, radio, images, optical, data, and video; related items such as switchboards, PBX units, multiplexers, FAX, modems, digital computer service units, channel service units, channel extenders, protocol converters, VSAT, satellite, encryption and voice response units.

2. **Software**: programs and routines used to employ and control the capabilities of automated and communication systems such as operating systems, compilers, assemblers, utilities, library routines, maintenance routines, applications, converters, conversion routines, knowledge-based systems, artificial intelligence systems, decision support systems, executive information systems, security and encryption, and networking programs.

3. **Services**: one-time costs for staff, service bureaus, or contract services directly related to the initial acquisition of automation systems, including those relating to feasibility studies, systems design, application software security and system development; and the transportation, installation, training, and maintenance of such items which directly relate to the initial acquisition.

**F. Program Management Systems (PMS) Document Numbers.** Because some States have moved to accounting systems other than CAS, ETA established uniform accounting codes for use by all States in reporting back to ETA. While the uniform codes are based on the current CAS fund ledger code structure, non-CAS users may establish whatever account/code classification system they wish to use in their accounting systems. However, the SF 269s submitted to ETA must contain the PMS Document Number(s) shown in Section II.E., and they must be used in identifying cash drawdowns by program through the Department of Health and Human Services' Payment Management System.

**G. Time Distribution Definitions.** The definitions of the UI program categories contained in the UI base allocations and Quarterly Financial Report (UI-3) are a combination of UI functions previously defined in ET Handbook No. 362 (State Accounting Manual), Volume II, Chapter IV. The following reflects the program



**ET HANDBOOK NO. 336**  
**CHAPTER II - REPORTING**

categories used on the UI-3 worksheet and the CAS time distribution functions and codes:

**UI-3**

Associated Time Distribution Functional Activity Codes (under Project Code 210 unless otherwise stated)

**Claims Activities**

Initial Claims (200)  
Weeks Claimed (Includes ERP) (200)  
Nonmonetary Determinations (230)  
Multi-claimant Services (238)  
Appeals (240)

**Employer Activities**

Wage Records (260)  
Tax (Includes Tax Travel) (300)

**UI PERFORMS**

UI PERFORMS (Function 461 and/or Project Code 213)

**UI Support/AS&T**

Benefits/Appeals Travel (235)  
Benefit Payment Control (270)  
UI Support (400)  
Internal Security (459)  
Interstate Activities (460)  
AS&T (100, 120, 150)

**TAA and NAFTA-TAA Benefit Administration (Project Code 219)**

Use only Claims Activities codes 200, 230, 238, and 240 (see above) under Project Code 219)

**Other**

Reserved for special categories